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LEGISLATIVE LIAISON
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TOR: 192100Z MAY 84

RR RUEAIB
ZNR UUUUU ZOC STATE ZZH
STU4663
RR RUEHC
DE RUEHOT #3611 1391941
ZNR UUUUU ZZH
R 181939Z MAY 84
FM AMEMBASSY OTTAWA
TO RUEHC/SECSTATE WASHDC 7035
INFO RUEHGA/AMCONSUL CALGARY 6682
RUEHMT/AMCONSUL MONTREAL 3507
RUEHQU/AMCONSUL QUEBEC 6843
RUEHON/AMCONSUL TORONTO 9725
RUEHVC/AMCONSUL VANCOUVER 8088
RUEHHA/AMCONSUL HALIFAX 5198
RUEHWI/AMCONSUL WINNIPEG 5183
BT
UNCLAS OTTAWA 03611

E.O. 12356: N/A
TAGS: ECON, MASS, CA
SUBJECT: CONGRESSIONAL UPDATE

REF: 83 OTTAWA 04668

SUMMARY

1. GOC OFFICIALS ARE ACUTELY CONCERNED ABOUT THE LIKELY IMPACT OF U.S. CONGRESSIONAL ACTIVITY ON CANADIAN ECONOMIC INTERESTS.

2. ACTION REQUEST: PLEASE PROVIDE EMBASSY OTTAWA REGULARLY UPDATED READOUT ON ECONOMIC LEGISLATION OF MOST CONCERN TO CANADA, ESPECIALLY IN THE TRADE AREA. WE WOULD PARTICULARLY APPRECIATE A SPECIAL STATUS REPORT ON THE MITCHELL BILL AND THE REPORTED U.S. SENATE FINANCE COMMITTEE APPROVAL IN PRINCIPLE OF POSSIBLE LEGISLATION AUTHORIZING THE U.S. ADMINISTRATION TO NEGOTIATE FREE TRADE AGREEMENTS WITH CANADA. END SUMMARY.

3. SENIOR GOC OFFICIALS REMAIN HIGHLY INTERESTED IN THE ACTIVITIES OF THE U.S. CONGRESS, ESPECIALLY IN THE TRADE FIELD. BECAUSE IT IS AN ELECTION YEAR IN THE U.S., THEY FEAR THAT U.S. LEGISLATION IS EVEN MORE LIKELY TO REFLECT GROWING PROTECTIONISM, WHICH COULD, IN TURN, UNDERCUT CANADA'S ECONOMIC RECOVERY. GOC OFFICIALS BELIEVE THAT PROTECTIONIST ACTIONS ON CAPITOL HILL ARE FAR MORE LIKELY TO HARM CANADIAN INTERESTS THAN ARE ACTIONS BY THE ADMINISTRATION, WHICH THEY CONTINUE TO PRAISE PUBLICLY FOR ITS GENERALLY STRONG COMMITMENT TO FREER TRADE.

4. EMBASSY OTTAWA WOULD THUS APPRECIATE A CONTINUING, REGULAR READOUT ON THE STATE OF MAJOR ECONOMIC/TRADE LEGISLATION IN THE U.S. CONGRESS (INCLUDING THE ADMINISTRATION'S POSITION). WE ARE PARTICULARLY INTERESTED IN THE FOLLOWING ITEMS BUT WOULD WELCOME A READOUT ON OTHER LEGISLATIVE ITEMS THAT COULD AFFECT

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U.S.-CANADIAN ECONOMIC RELATIONS:

- --DOMESTIC CONTENT (DOES THE CURRENT OTTINGER BILL
- REMOVE EXEMPTION FOR CANADA - WITH CONSEQUENT
- COMPLICATIONS FOR AUTO PACT?)
- --GSP RENEWAL
- --RECIPROCITY
- --MISCELLANEOUS TARIFF BILL
- --EXPORT ADMINISTRATION ACT
- --TRADE REMEDIES REFORM ACT
- --GARN BANKING LEGISLATION
- --STEEL QUOTA
- --NATURAL GAS DEREGULATION
- --MITCHELL BILL TO SET UP A PERMANENT JOINT
- CANADA-U.S. COMMISSION ON TRADE AND ECONOMIC
- ISSUES (S.2228)
- --U.S. SENATE FINANCE COMMITTEE ACTION ON
- PROPOSED U.S.-CANADIAN FREE TRADE ARRANGEMENTS
- AND ANY OTHER CONGRESSIONAL ACTION OR EXPRESSION
- OF INTEREST ON THIS ISSUE.

ROUSE
END OF MESSAGE

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